



## Senate

General Assembly

**File No. 738**

February Session, 2008

Substitute Senate Bill No. 510

*Senate, April 28, 2008*

The Committee on Finance, Revenue and Bonding reported through SEN. DAILY of the 33rd Dist., Chairperson of the Committee on the part of the Senate, that the substitute bill ought to pass.

### **AN ACT CREATING A SALES TAX EXEMPTION FOR HYBRID PLUG-IN VEHICLES.**

Be it enacted by the Senate and House of Representatives in General Assembly convened:

1 Section 1. Section 12-412 of the 2008 supplement to the general  
2 statutes is amended by adding subdivision (119) as follows (*Effective*  
3 *October 1, 2008, and applicable to sales occurring on or after April 1, 2009*):

4 (NEW) (119) On and after April 1, 2009, the sale of any plug-in  
5 hybrid vehicle. For the purposes of this subdivision, "plug-in hybrid  
6 vehicle" means a passenger motor vehicle that (A) draws motive  
7 power from a battery with a capacity of at least 4 kilowatt-hours; (B)  
8 can be recharged from an external source of electricity for motive  
9 power; and (C) has the ability to drive at least ten miles in all-electric  
10 mode, while consuming no fuel.

This act shall take effect as follows and shall amend the following sections:

Section 1	<i>October 1, 2008, and applicable to sales occurring on or after April 1, 2009</i>	12-412
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**FIN**      *Joint Favorable Subst.*

The following fiscal impact statement and bill analysis are prepared for the benefit of members of the General Assembly, solely for the purpose of information, summarization, and explanation, and do not represent the intent of the General Assembly or either chamber thereof for any purpose:

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**OFA Fiscal Note****State Impact:**

Agency Affected	Fund-Effect	FY 09 \$	FY 10 \$
Department of Revenue Services	GF - Revenue Loss	See Below	See Below

Note: GF=General Fund

**Municipal Impact:** None

**Explanation**

The bill establishes a sales tax exemption for hybrid plug-in vehicles. The short-term impact of these tax exemptions is anticipated to be none because the commercial availability of hybrid plug-in vehicles is limited.

**The Out Years**

To the degree that hybrid plug-in vehicles become commercially available then these incentives would have an impact on General Fund revenues.

**OLR Bill Analysis****sSB 510*****AN ACT CREATING A SALES TAX EXEMPTION FOR HYBRID PLUG-IN VEHICLES.*****SUMMARY:**

This bill creates a sales tax exemption for plug-in hybrid vehicles, starting April 1, 2009. Under the bill, a plug-in hybrid vehicle is a passenger motor vehicle that draws motive power from a battery with a capacity of at least 4 kilowatt-hours and can drive at least 10 miles on electric power alone. It must be able to be recharged from an external electric source.

EFFECTIVE DATE: October 1, 2008, and applicable to sales occurring on or after April 1, 2009.

**BACKGROUND*****Legislative History***

The Senate referred the bill (File 95) to the Finance, Revenue and Bonding Committee, which reported a substitute bill, eliminating a provision giving municipalities the option of providing a property tax exemption for these vehicles.

**COMMITTEE ACTION**

## Environment Committee

Joint Favorable

Yea 28 Nay 0 (03/05/2008)

## Planning and Development Committee

Joint Favorable

Yea 18 Nay 0 (04/09/2008)

## Finance, Revenue and Bonding Committee

Joint Favorable Substitute

Yea    46        Nay    6        (04/22/2008)